

Message Text

UNCLASSIFIED

PAGE 01 MILAN 01780 261924Z

15

ACTION EB-07

INFO OCT-01 EUR-12 ISO-00 AID-05 CIAE-00 COME-00 FRB-01

INR-07 NSAE-00 USIA-15 TRSE-00 XMB-04 OPIC-06 SP-02

CIEP-02 LAB-04 SIL-01 OMB-01 L-03 PA-02 PRS-01 /074 W

----- 010320

R 261520Z SEP 75

FM AMCONSUL MILAN

TO AMEMBASSY ROME

INFO SECSTATE WASHDC 4263

UNCLAS MILAN 1780

E.O. 11652: N/A

TAGS: BBAK, EGEN, EINV, ELAB, PINT, IT

SUBJECT: CLOSURE OF WHITE FARM EQUIPMENT PIACENZA BRANCH

1. CONGEN LEARNED OF INTENDED CLOSING PIACENZA BRANCH WHITE FARM EQUIPMENT CO., DIVISION OF WHITE MOTOR CORPORATION, 100 ERIEVIEW PLAZA, CLEVELAND, OHIO 44114 FROM SECRETARY OF CHAMBER OF COMMERCE IN PIACENZA.

2. CONSUL GENERAL INVITED WHITE VICE PRESIDENT, SPENCER H. MIERAS AND VICE PRESIDENT - LEGAL - INTERNATIONAL, PHILLIP A. CONTRERAS TO CONGEN TO DISCUSS SITUATION.

3. MIERAS SAID TERMINATION NOTICES FOR NOV 30 ANNOUNCED SEPT 25. PRESS RELEASE ALSO GIVEN OUT THAT DATE, BUT MORNING MILAN PRESS DID NOT YET CARRY ARTICLE.

4. ACCORDING TO MIERAS, TOTAL OF 450 JOBS INVOLVED, PLUS 150 EMPLOYEES OF SUBCONTRACTORS WHO DEPEND UPON WHITE FOR BULK OF BUSINESS. MIERAS WELL AWARE OF, AND CONCERNED ABOUT, SEVERE IMPACT UPON COMMUNITY IF JOBS ABOLISHED.

5. BRANCH HAS BEEN LOSING OPERATION SINCE FIRST ACQUIRED IN 1966. DURING 1971 - 1974 INCLUSIVE, OPERATING LOSSES TOTALED DLR 14,600,000, AND ARE CONTINUING THIS YEAR. AS RESULT, BOARD OF

UNCLASSIFIED

PAGE 02 MILAN 01780 261924Z

DIRECTORS MADE DECISION SEPT. 24 TO LIQUIDATE PIACENZA OPERATION

BY NOVEMBER 30, 1975 UNLESS SOMEONE CAN BE FOUND TO TAKE OVER
AND CONTINUE THE OPERATION.

6. ACCORDING TO MIERAS, MANY PROBLEMS CONTRIBUTING TO LOSSES
INCLUDING 20 PERCENT ABSENTEEISM, LOW SALES VOLUME, UNECONOMIC
SCALE OF PRODUCTION, AND LACK OF EFFECTIVE PLANT MANAGEMENT.
REGARDING LATTER FACTOR, MIERAS SAID PROBLEM
DUE TO FACT COMPETENT ITALIAN EXECUTIVES DO NOT WANT TO RELOCATE
IN PROVINCIAL PIACENZA. WHITE CONTENTS IT CANNOT AFFORD SEND
PLANT MANAGER FROM STATES BECAUSE PIAZENZA VALUME TOO SMALL TO
MAKE IT WORTHWHILE.

7. DURING LAST YEAR MIERAS HAS CONTACTED OTHER FIRMS IN SAME LINE
OF BUSINESS, UNSUCCESSFULLY SEEKING BUYER FOR PLANT. HE ALSO
CONTACTED GEPI, (ITALIAN VERSION RFC) BUT GEPI NOT INTERESTED.

8. MIERAS GAVE 60 DAYS NOTICE IN HOPE UNION AND LOCAL POLITICIANS
CAN PUT PRESSURE ON NATIONAL GOVERNMENT TO PROVIDE EFFECTIVE AID
FOR ESTABLISHMENT OF A WORKERS' COOPERATIVE, TAKE-OVER BY GEPI
OR FIND ANOTHER BUYER.

9. MIERAS HAS BEEN DEALING WITH PLANT UNION AND REGIONAL LEADERSHIP
OF FEDERAZIONE LAVORATORI METALMECCANICI TRYING TO COME UP WITH
A SCHEME FOR KEEPING FACTORY RUNNING AND WORKERS EMPLOYED
AFTER WHITE PULLS OUT. HE SAID HE IS ALSO WILLING TO MEET WITH
LOCAL POLITICIANS AND THAT HE EXPECTS TO BE CALLED TO ROME FOR
CONFERENCES WITH MINISTRIES.

10. MIERAS ACCOUNT SUGGESTS WHITE BEING CAREFUL MAINTAIN GOOD
RELATIONS WITH LABOR ORGANIZATIONS, LOCAL GOVERNMENT AND GOI
WHILE AT SAME TIME GETTING OUT FROM A SITUATION WHICH WHITE
MANAGEMENT CONCLUDES IS NO LONGER BEARABLE.

11. CONGEN WILL BE IN PIACENZA OCT 2 FOR ROUTINE VISIT DURING
WHICH SUBJECT SURE TO BE DISCUSSED.

12. NO ACTION REQUESTED.FINA

UNCLASSIFIED

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: BUSINESS FIRMS, BANKRUPTCIES
Control Number: n/a
Copy: SINGLE
Draft Date: 26 SEP 1975
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: n/a
Disposition Approved on Date:
Disposition Authority: n/a
Disposition Case Number: n/a
Disposition Comment:
Disposition Date: 01 JAN 1960
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1975MILAN01780
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: D750335-0734
From: MILAN
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1975/newtext/t19750910/aaaaaapt.tel
Line Count: 98
Locator: TEXT ON-LINE, ON MICROFILM
Office: ACTION EB
Original Classification: UNCLASSIFIED
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators: n/a
Previous Classification: n/a
Previous Handling Restrictions: n/a
Reference: n/a
Review Action: RELEASED, APPROVED
Review Authority: RowellE0
Review Comment: n/a
Review Content Flags:
Review Date: 27 MAR 2003
Review Event:
Review Exemptions: n/a
Review History: RELEASED <27 MAR 2003 by MaustMC>; APPROVED <13 FEB 2004 by RowellE0>
Review Markings:

Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
06 JUL 2006

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: CLOSURE OF WHITE FARM EQUIPMENT PIACENZA BRANCH
TAGS: BBAK, EGEN, EINV, ELAB, PINT, IT
To: ROME
Type: TE
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 06 JUL 2006